

WASHINGTON, DC – The Oversight and Government Reform Subcommittee on Government Organization, Efficiency and Financial Management, chaired by Rep. Todd Platts (R-Pa.), will hold its first hearing of the 112th Congress, “**A Look at the FY2010 Consolidated Financial Statements of the U.S. Government**” on **Friday, February 11, 2011** at **10 a.m.** in **Room 2203 Rayburn House Office Building**.

The Subcommittee will hear testimony from:

- The Honorable Gene L. Dodaro

Comptroller General of the United States, Government Accountability Office

- The Honorable Richard L. Gregg

Fiscal Assistant Secretary, Department of the Treasury

This hearing will look at the Fiscal Year 2010 Consolidated Financial Statements of the U.S. Government. These statements are prepared annually by Treasury and audited by the Government Accountability Office (GAO). Of particular interest in this year's report is the statement by both GAO and Treasury that future cost estimates for the Medicare program submitted by the Department of Health and Human Services are unreliable.

As has been the case since the first statements were prepared in 1996, GAO was unable to render an opinion as to whether the underlying information is reliable. The primary reasons include the inability of certain components of the Department of Defense to produce auditable statements, problems with reconciling transactions among Federal agencies, difficulty accounting for government property and equipment and the lack of effective financial management systems across government.

While typical government budget reports use cash-based accounting, the numbers in the consolidated financial statements are reported on an accrual basis, which is the type of accounting used by U.S. businesses. Accrual accounting presents a more accurate picture of the position of an entity over time, taking into consideration the future implications for current actions.

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